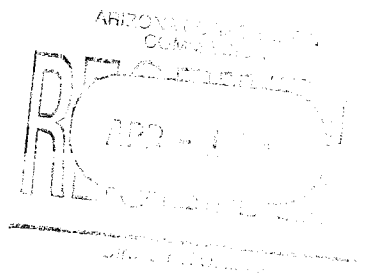


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02372A
Verde Lakes Water Corporation
2867 S. Verde Lakes Drive #B
Camp Verde AZ 86322



ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
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*Verde
631-2-03
4-2-03
WV*

FOR COMMISSION USE

<i>ANN 04</i>	<i>02</i>
---------------	-----------

COMPANY INFORMATION

Company Name (Business Name) Verde Lakes Water Corporation

Mailing Address 2867 So. Verde Lakes Dr Suite B
(Street)
Camp Verde Az 86322
(City) (State) (Zip)

928-567-4338 928-567-1049 928-300-8837
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

928-300-8836
Pager/Cell No. (Include Area Code)

Email Address VHwatercorp@commspeed.net

Local Office Mailing Address Same
(Street)

(City) (State) (Zip)

Same
(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) **Fax No. (Include Area Code)** **Pager/Cell No. (Include Area Code)**

Email Address Same

MANAGEMENT INFORMATION

Management Contact: Brian Williams President
(Name) (Title)

P.O. Box 1394 Camp Verde Az 86322
(Street) (City) (State) (Zip)

928-567-6517 N/A
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address N/A

On Site Manager: Timothy House
(Name)

2875 E Clinton Camp Verde Az 86322
(Street) (City) (State) (Zip)

928-564-0639 928-284-8014
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

Statutory Agent: Patricia Brown
(Name)

3454 W. Middle Verde Rd Camp Verde Az 86322
(Street) (City) (State) (Zip)

928-567-0996 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: A/A
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Verde Lakes Water Corporation

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A	N/A	N/A
302	Franchises	N/A	N/A	N/A
303	Land and Land Rights	18,970.00	N/A	18,970.00
304	Structures and Improvements	24,255.43	9,876.01	14,379.42
307	Wells and Springs	18,422.63	18,422.63	- 0 -
311	Pumping Equipment	54,693.59	25,847.50	28,846.09
320	Water Treatment Equipment	1,524.82	294.24	1,230.58
330	Distribution Reservoirs and Standpipes	105,874.68	79,805.00	26,069.68
331	Transmission and Distribution Mains	333,786.30	312,552.55	21,233.75
333	Services	30,771.49	24,384.00	6,387.49
334	Meters and Meter Installations	55,656.02	32,414.40	23,241.62
335	Hydrants	N/A	N/A	N/A
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	N/A	N/A	N/A
340	Office Furniture and Equipment	11,442.67	3,279.16	8,163.51
341	Transportation Equipment	13,944.95	3,123.00	10,821.95
343	Tools, Shop and Garage Equipment	N/A	N/A	
344	Laboratory Equipment	N/A	N/A	
345	Power Operated Equipment	24,243.63	9,553.00	14,690.63
346	Communication Equipment	N/A	N/A	
347	Miscellaneous Equipment	35,629.58	310.00	35,319.58
348	Other Tangible Plant ^{Wk in Progress} _{Held for future use}	89,700.45 9,350.00	N/A N/A	89,700.45 9,350.00
	TOTALS	828,266.24	519,261.49	308,404.75

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	N/A	N/A	N/A
302	Franchises	N/A	N/A	N/A
303	Land and Land Rights	18,970.00	N/A	N/A
304	Structures and Improvements	24,255.43	5	1,212.77
307	Wells and Springs	18,422.63	5	911.63
311	Pumping Equipment	50,695.38	5	2,524.00
320	Water Treatment Equipment	1,524.82	5	76.24
330	Distribution Reservoirs and Standpipes	105,814.68	5	5,292.00
331	Transmission and Distribution Mains	333,786.30	5	16,673.55
333	Services	30,771.49	5	1,530.00
334	Meters and Meter Installations	55,656.02	5	2,778.00
335	Hydrants	N/A	N/A	N/A
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	N/A	N/A	N/A
340	Office Furniture and Equipment	7,018.34	5	350.92
341	Transportation Equipment	13,944.95	5	698.00
343	Tools, Shop and Garage Equipment	N/A	N/A	N/A
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	24,243.63	5	1,212.00
346	Communication Equipment	N/A	N/A	N/A
347	Miscellaneous Equipment	2,258.56	5	112.00
348	Other Tangible Plant <i>Work in Progress Held for future use</i>	89,700.45 9,350.00	N/A N/A	N/A N/A
	TOTALS	786,492.68		33,371.11

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 115.92	\$ 100.00
134	Working Funds	6,471.30	64,379.87
135	Temporary Cash Investments	78,077.38	79,246.67
141	Customer Accounts Receivable	6,632.05	7,891.60
146	Notes/Receivables from Associated Companies	N/A	N/A
151	Plant Material and Supplies	9,776.24	
162	Prepayments	2,477.34	2,477.34
174	Miscellaneous Current and Accrued Assets	389.00	6,656.87
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 109,939.23	\$166,752.35
	FIXED ASSETS		
101	Utility Plant in Service	\$ 687,422.23	7731,531.01
103	Property Held for Future Use	9,350.00	9,350.00
105	Construction Work in Progress	29,700.45	89,700.45
108	Accumulated Depreciation – Utility Plant	519,861.49	2519,861.49
121	Non-Utility Property	N/A	N/A
122	Accumulated Depreciation – Non Utility	N/A	N/A
	TOTAL FIXED ASSETS	\$ 266,611.19	\$ 310,119.97
	TOTAL ASSETS	\$ 376,550.42	\$477,472.32

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 145.05	\$ -2,113.03
232	Notes Payable (Current Portion)	N/A	N/A
234	Notes/Accounts Payable to Associated Companies	N/A	N/A
235	Customer Deposits	8,646.00	- 0 -
236	Accrued Taxes	2,322.77	2,568.96
237	Accrued Interest	N/A	N/A
241	Miscellaneous Current and Accrued Liabilities	N/A	1,342.80
	TOTAL CURRENT LIABILITIES	\$ 11,113.82	\$ 1,798.73
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ N/A	\$ N/A
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ N/A	\$ N/A
252	Advances in Aid of Construction	49,978.51	49,978.51
255	Accumulated Deferred Investment Tax Credits	N/A	N/A
271	Contributions in Aid of Construction	800.65	800.65
272	Less: Amortization of Contributions	160.00	160.00
281	Accumulated Deferred Income Tax	N/A	
	TOTAL DEFERRED CREDITS	\$ 50,619.16	\$ 50,619.16
	TOTAL LIABILITIES	\$ 61,732.98	\$ 52,417.89
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ N/A	\$ N/A
211	Paid in Capital in Excess of Par Value	N/A	N/A
215	Retained Earnings	314,817.44	425,054.43
218	Proprietary Capital (Sole Props and Partnerships)	N/A	N/A
	TOTAL CAPITAL	\$ 314,817.44	\$ 425,054.43
	TOTAL LIABILITIES AND CAPITAL	\$ 376,550.42	\$ 477,472.32

COMPANY NAME

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 192,045.04	\$ 212,926.55
460	Unmetered Water Revenue	N/A	N/A
474	Other Water Revenues	7,098.50	11,793.14
	TOTAL REVENUES	\$ 199,143.54	\$ 224,719.69
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 75,909.25	\$ 76,609.49
610	Purchased Water	N/A	N/A
615	Purchased Power	15,687.00	16,406.10
618	Chemicals	492.41	458.30
620	Repairs and Maintenance	17,526.58	14,891.65
621	Office Supplies and Expense	8,505.49	7,686.56
630	Outside Services	N/A	7,021.65
635	Water Testing	3,525.96	5,355.70
641	Rents	4,200.00	4,200.00
650	Transportation Expenses	5,133.02	104.60
657	Insurance – General Liability	2,793.00	2,855.00
659	Insurance - Health and Life	325.80	4,394.21
666	Regulatory Commission Expense – Rate Case	N/A	N/A
675	Miscellaneous Expense	3,182.67	3,735.97
403	Depreciation Expense	33,371.11	- 0 -
408	Taxes Other Than Income	7,800.74	17,467.27
408.11	Property Taxes	9,801.28	11,046.41
409	Income Tax	N/A	N/A
	TOTAL OPERATING EXPENSES	\$ 188,254.31	\$ 171,430.91
	OPERATING INCOME/(LOSS)	\$ - 0 -	\$ - 0 -
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 2,074.98	\$ 1,169.29
421	Non-Utility Income	N/A	N/A
426	Miscellaneous Non-Utility Expenses	N/A	N/A
427	Interest Expense	466.70	749.19
	TOTAL OTHER INCOME/(EXPENSE)	\$ 1,608.28	\$ 1,918.48
	NET INCOME/(LOSS)	\$ 12,497.51	\$ 52,210.50

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$ N/A	\$ N/A	\$ N/A	\$ N/A

Meter Deposit Balance at Test Year End

\$ 27,473.39

Meter Deposits Refunded During the Test Year

\$ 4,965.48

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-801447	Dinky Creek 5	60	140'	10	{	
55-524343	Dinky Creek 5	60	110'	10	(3	
55-801449	Big Valley 5	60	235'	6	(
55-524344	Big Valley 10	90	244'	10	(4	
55-559150	Stillwater 10	N/A	300'	8	Not in Service	1999

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7 1/2	7	N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
49,000	2	5,000	3
125,000	1	—	—
10,000	1	—	—
65,000	2	—	—

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	—	—
3	—	—
4	PVC	2,600'
5	—	—
6	PVC	17,700'
8	—	—
10	—	—
12	—	—

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	733
3/4	None
1	3
1 1/2	2
2	2
Comp. 3	—
Turbo 3	—
Comp. 4	—
Tubo 4	—
Comp. 6	—
Tubo 6	—

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Chlorinator - Sodium hypochloride 1290

STRUCTURES:

Big Valley: 2 holding tanks 65,000 gal; electrical house & chlorinator shed; ^{booster} pump shed; Pressure tank shed.

Same at Stillwater

Dinky Creek: electrical/chlorinator bldg. Booster pumps boxes.

Maple: Booster station, Electrical box.

OTHER:

N/A

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	718	3,718,517	5,058,000
FEBRUARY	726	3,435,730	5,515,100
MARCH	729	4,060,930	5,594,100
APRIL	729	5,644,170	7,269,800
MAY	726	6,382,670	9,253,100
JUNE	723	7,843,140	9,522,500
JULY	730	6,871,868	8,855,600
AUGUST	733	6,871,868	10,195,480
SEPTEMBER	732	5,922,935	9,622,400
OCTOBER	735	4,531,941	6,615,100
NOVEMBER	736	3,755,690	5,413,800
DECEMBER	737	3,454,110	5,280,100
TOTAL		N/A	

OR 493,557.00

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes () No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 1.1 4.09 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME _____ YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 11,046.41

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. N/A

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax Liability

N/A
N/A

State Taxable Income Reported
Estimated or Actual State Tax Liability

N/A
N/A

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

N/A
N/A
N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

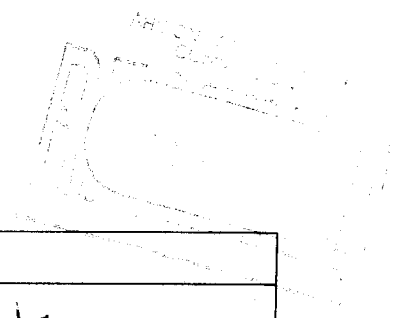

SIGNATURE

3-28-03
DATE

Brian Williams
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
Yavapai
NAME (OWNER OR OFFICIAL) TITLE
Brian Williams President
COMPANY NAME
Verde Lakes Water Corporation

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

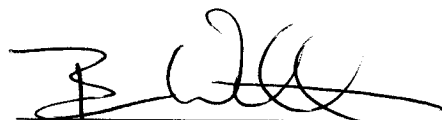
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 225,889.98

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 142,533.42
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
928-567-4338
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

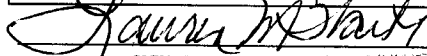
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

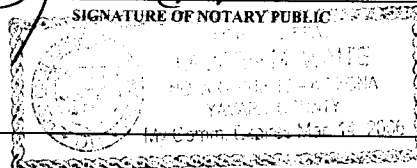
THIS 28 DAY OF

(SEAL)

MY COMMISSION EXPIRES March 14, 2006

COUNTY NAME	
Yavapai	
MONTH	2003
March	


SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Yavapai</u>	
NAME (OWNER OR OFFICIAL) <u>Brian Williams</u>	TITLE <u>President</u>
COMPANY NAME <u>Verde Lakes Water Corporation</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 225,889.98

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 14,253.42
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Brian Williams
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

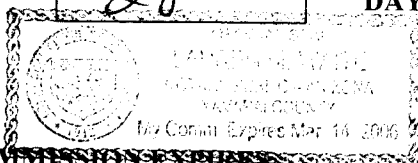
THIS

28

DAY OF

(SEAL)

MY COMMISSION EXPIRES



NOTARY PUBLIC NAME <u>Lauren M Waiti</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>March</u>	YEAR <u>2003</u>

X Lauren M Waiti
SIGNATURE OF NOTARY PUBLIC

2001 2006 6214

7388

VERDE LAKES WATER CORPORATION

2867 S. VERDE LAKES DR. 520-567-4338
CAMP VERDE, AZ 86322

#1063030

91-285
1221

DATE 5/8/02

PAY

TO THE

ORDER OF

County Treasurer

\$ 5,671.63

Five thousand six hundred Seventy one and 63/100 DOLLARS ☐

BANK ONE

Bank One, Arizona, NA
Phoenix, Arizona 85073
www.bankone.com

FOR 928-42-8700-7 # 51334.98

928-42-8700-8 # 336.65

⑈000338⑈ ⑆12200024⑆

21383434⑈

⑈0000567163⑈

Security Features
Look for these
marks on all checks

VERDE LAKES WATER CORPORATION

2867 S. VERDE LAKES DR.
CAMP VERDE, AZ 86322
(928) 567-4338

BANK ONE, N.A.
Camp Verde, Arizona 86322
www.bankone.com
91-2/1221

1650

10/25/2002

PAY TO THE ORDER OF Yavapai County Treasurer

\$ **5,374.78

Five Thousand Three Hundred Seventy-Four and 78/100*****

DOLLARS

TWO SIGNATURES REQUIRED

Yavapai County Treasurer-Ross Jacobs

Ross D. Jacobs
1015 Fair St
Prescott, AZ 86305

MEMO

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT. 007650 121221000241 21383434 0000537478

18992002 1015 CREDIT TO PAYEE'S ACCT
21023 0017 ENDORSEMENT GUARANTEED
20000204 BANK OF N.Y. & C.O.
1221-00024

BANK ONE, INC.
122100024
1020002

52750709

Verde Lakes Water Corporation

Balance Sheet

As of December 31, 2002

	Dec 31, 02
ASSETS	
Current Assets	
Checking/Savings	
100 · Checking Account	64,379.87
101 · Savings Account	79,246.67
Total Checking/Savings	143,626.54
Accounts Receivable	
102 · Accounts Receivable	7,891.60
Total Accounts Receivable	7,891.60
Other Current Assets	
126 · Refundable Deposit	-11,006.95
103 · Petty Cash	100.00
106 · Inventory Asset	17,663.82
120 · Prepaid Insurance	4,746.00
121 · Prepaid Property Taxes	3,731.34
Total Other Current Assets	15,234.21
Total Current Assets	166,752.35
Fixed Assets	
127 · ATC Credit	2,315.14
130 · Fixed Assets	
136 · Computers & Equipment	3,382.77
131 · Accum. Depreciation	-519,861.39
132 · Distribution Mains	333,786.30
133 · Electric Pumping Equip	54,693.59
134 · Furniture & Fixtures	8,059.90
135 · Land	18,970.00
147 · Meters	55,656.02
137 · Miscellaneous Equipment	35,629.56
138 · Power Operated Equip	24,243.63
139 · Property for Future Use	9,350.00
140 · Services	30,771.49
141 · Structures	24,255.43
142 · Tanks	105,874.68
143 · Transportation Equipment	13,944.95
144 · Water Treatment	1,524.82
145 · Wells	18,422.63
146 · Work In Progress	89,700.45
Total 130 · Fixed Assets	308,404.83
Total Fixed Assets	310,719.97
TOTAL ASSETS	477,472.32
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200 · Accounts Payable	-2,113.03
Total Accounts Payable	-2,113.03
Other Current Liabilities	
205 · Advances Main Extens	22,121.92
206 · Advances for Meters	27,856.59
210 · Contribtns Aid of Const	800.65
211 · Accum. Amortiz Contribu	-160.00

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03/24/03
Accrual Basis

Verde Lakes Water Corporation
Balance Sheet
As of December 31, 2002

	<u>Dec 31, 02</u>
250 · Payroll Liabilities	
263 · Advance Earned Income Credit	-126.00
251 · Social Sec-EMP	477.84
252 · Social Sec-CO	477.84
254 · Federal Withholding Tax	577.00
255 · Medicare-CO	111.76
256 · Medicare-EMP	111.76
258 · AZ State Withholding	313.03
259 · FUTA Federal Withholding	193.25
262 · Employee Insurance	158.52
250 · Payroll Liabilities - Other	273.96
Total 250 · Payroll Liabilities	<u>2,568.96</u>
270 · Sales Tax Payable	1,342.80
Total Other Current Liabilities	<u>54,530.92</u>
Total Current Liabilities	<u>52,417.89</u>
Total Liabilities	52,417.89
Equity	
305 · Opening Bal Equity	385,341.44
310 · Retained Earnings	-12,497.51
Net Income	52,210.50
Total Equity	<u>425,054.43</u>
TOTAL LIABILITIES & EQUITY	<u><u>477,472.32</u></u>

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Accrual Basis

Verde Lakes Water Corporation**Profit & Loss**

January through December 2002

	Jan - Dec 02
Ordinary Income/Expense	
Income	
105 · Overpayment Refund	-0.66
400 · Income	
408 · Interest Income	1,169.29
407 · Bad Check Fees	60.00
402 · Late Fees	2,625.06
404 · Service Income	5,371.52
405 · Miscellaneous	3,737.22
406 · Metered Water Sales	212,926.55
Total 400 · Income	225,889.64
Total Income	225,888.98
Cost of Goods Sold	
500 · Cost of Goods Sold	
539 · hinges	3.31
538 · Tee's	0.99
537 · washers	0.59
536 · Booster	2.98
540 · Box Lid	17.09
532 · Probe	19.60
535 · Chlorination Unit	217.94
534 · Gallon Solution Tank	94.05
533 · Gauge	67.98
531 · File	9.77
530 · Valve Needle	3.90
529 · Clamps	166.88
528 · Pramitol	55.00
527 · elbows	22.14
526 · adapters	22.92
525 · Stop threads (valve)	8.98
524 · glass tubes	18.42
519 · MJ Accessory Set	18.96
523 · Switches	1,537.30
522 · Float Relays	258.00
521 · Curb stops	585.47
520 · Gaskets	39.00
518 · Meters	1,407.19
517 · Boxes	177.93
516 · Other	549.95
514 · Nipples	16.14
513 · Saddles	198.99
509 · Valves	352.62
508 · Bushings	28.32
507 · Plugs	6.87
506 · Caps	0.79
503 · Couplings	1,771.44
501 · Pipe	58.73
500 · Cost of Goods Sold - Other	-7,740.24
Total 500 · Cost of Goods Sold	0.00
Total COGS	0.00
Gross Profit	225,888.98
Expense	
625 · Mileage charges	
628 · Travel Time charged	62.50
627 · EPA charge	7.10
626 · Zone Charge	35.00
Total 625 · Mileage charges	104.60
603 · Bank Service Charge	749.19
802 · Utilities	
803 · Gas & Electric	321.73

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Accrual Basis

Verde Lakes Water Corporation

Profit & Loss

January through December 2002

	Jan - Dec 02
Total 802 · Utilities	321.73
631 · Insurance	
635 · Vehicle Insurance	2,970.00
634 · Insurance/Employee Grp	4,394.21
632 · General Insurance	2,855.00
633 · Workers Comp Payable	797.82
Total 631 · Insurance	11,017.03
700 · Taxes	
701 · Federal	1,048.57
703 · State	3,738.14
702 · Property Taxes	11,046.41
Total 700 · Taxes	15,833.12
673 · Repair & Maintenance	
687 · Utility Repairs	87.10
678 · Equip. Repair	272.81
684 · Tires	460.97
685 · Truck Repairs	898.85
683 · Service Repairs	511.40
686 · Well Repairs	483.75
679 · Equipment/Maint Repair	157.13
680 · General Maintenance	868.53
674 · Backhoe Maint/Repairs	197.62
673 · Repair & Maintenance - Other	70.00
Total 673 · Repair & Maintenance	4,008.16
650 · Pumping Power	14,822.89
600 · Az.Municipal Tax(TPT)	1,050.03
638 · Equipment Purchase	141.50
690 · Supplies	
692 · Parts/Materials	2,005.40
694 · Shop Supplies	92.84
691 · Office Supplies	4,593.72
690 · Supplies - Other	3,456.30
Total 690 · Supplies	10,148.26
710 · Telephone/Comm.	
711 · Internet	59.85
710 · Telephone/Comm. - Other	3,036.54
Total 710 · Telephone/Comm.	3,096.39
810 · Water Testing	5,555.70
621 · Equipment Rent	35.18
820 · Uncategorized Expenses	1,341.04
618 · Dues & Membership	706.00
620 · Education	207.45
629 · Fuel/Fluids	1,211.07
622 · Engineer	256.66
642 · Professional Fees	
645 · Subcontractors	2,145.80
643 · Accounting	2,296.25
642 · Professional Fees - Other	2,579.60
Total 642 · Professional Fees	7,021.65
630 · Heating/Electric	583.21
640 · Postage/Shipping	1,224.64
624 · Freight & Delivery	88.65
623 · Fees, Licenses, Permits	664.28
670 · Rent	4,200.00
660 · Payroll Expenses	
662 · Salaries & Wages	76,609.49
661 · Payroll Tax	12,680.56
Total 660 · Payroll Expenses	89,290.05

Verde Lakes Water Corporation
Profit & Loss
January through December 2002

	Jan - Dec 02
Total Expense	173,678.48
Net Ordinary Income	52,210.50
Net Income	52,210.50